



Northwest Tart Cherry

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Northwest Tart Cherry Inc.
Michael Rowley - Manager
5170 N. Wahluke Road
Basin City, Washington 99343

Hearing Clerk USDA
Room 1081-S
Washington, DC 20250-9200

Hello, My name is Michael Rowley, and I am the manager of Northwest Tart Cherry Inc. We are a cherry processing company located in Basin City, Washington. During the hearings for the amendments to the Federal Marketing Order, I testified in favor of the amendments that were proposed by the CIAB. I am writing again to continue that support. I strongly favor the Zero thresholds that has been suggested and approved by the Board of Directors for the CIAB.

We as a company have over the years of the Federal marketing order processed between 3.7 million pounds and 5.6 million pounds per year. Our largest crop was in this past crop year 2001 and our smallest was in 2000. The marketing order and other tools in the industry are giving us a more stable and steady market in which to sell cherries. This results in more steady and stable prices to the grower. This is one of the goals of the FMO. For our frozen cherries in 1995 we were not able to return to our growers more than 5 cents a pound for their cherries. Since the FMO, and other industry tools have been in place since 1997 we have been able to return on average between three and four times the 5 cents a pound of 1995. So I conclude that the FMO and other industry tools are working.

They are not perfect however. That is why the CIAB board of directors (of which I am one) has worked so hard to propose the amendments to the FMO. The FMO has benefited growers in Michigan, Wisconsin, Utah, New York, Pennsylvania, Washington, and Oregon. Not all of these growing districts have helped to solve the problem of over supply. This has fallen on the shoulders of the regulated districts. This has given an advantage to processors in unregulated districts. I know. I was a processor in an unregulated district until this past crop season. It was nice to have the other districts divert and not us. I supported the 15 million-pound threshold during the promulgation period. I didn't believe that we as a processor in and of our selves could be the problem. It was those guys back east. I now can see a larger picture it shows that all cherry growers and processors contribute to the entire crop in the USA. Since they are all counted in how the Optimum supply Formula is determined, they should all be counted in how the oversupply is dealt with. Hence all districts and commercial growers and processors should be regulated.

In the Recommended Decision you state that the regulation of Oregon and Pennsylvania would be insignificant. I disagree. A 1-% change in the regulation would have allowed me to process 56,000 more pounds this year. At 15 cents a pound that would be \$8,400 at 20 cents a pound that would be \$11,200. That is what my growers would be missing out on and be in fact given to the growers in unregulated districts, because they can sell 100% of their production. Thank you for your work in this matter and please reconsider the volume threshold issue and put it at Zero.

Sincerely,

Michael Rowley, Manager Northwest Tart Cherry Inc.

Michael Rowley
1611 Buffalo Road
Basin City, WA. 99343

Hearing Clerk USDA
Room 1081-S
Washington, DC 20250-9200
Fax (202) 720-9776

Hello, my name is Michael Rowley. I am a cherry grower in Washington State. I have been in the cherry business in Washington since 1983. I am writing concerning the Recommended Decision of the Department of Agriculture on the proposed amendments to the FMO for tart cherries. I think I have a perspective that is different from the growers of cherries in other areas of the country. I have seen the benefits of the FMO as a unregulated grower and as a regulated grower.

There is no doubt that I can make more money as a grower in an unregulated district. When we were able to sell all of our crop in the 1997, 1998, and 2000 crop years we were able to return the same amount of money per pound for our entire crop, that growers in regulated districts got per pound for their free market cherries. Hence we were paid for 100%. They were paid on average for 70%. An example would be a 15 cent return on one million pounds would be 150,000 dollars. The grower in a regulated area was paid 15 cents for seven hundred thousand pounds or 105,000 dollars.

The 2001 cherry season for me was very different. We were subject to volume regulation. The effective regulation was 34%. As a cherry grower I will not be paid for those cherries this year. This is the part that makes me unique. I have felt both the pain and the joy of being in the marketing order. It was really nice to have the "other guys" pay my way so to speak. Now the piper has come to collect from me. As I look at this issue and say to myself what is fair and what is right. I have come to this conclusion. The fair and right way to handle this situation is to have all the growers and processors in the districts or states covered by the marketing order to be regulated. If we all help to contribute to the problem we should all help to solve the problem.

Therefore I would recommend that you support the original position of the CIAB board on the issue of volume thresholds and move the threshold to Zero.

For the past two and half years I have served on the CIAB board and can say from my personal experience that this single issue has taken more time and caused more controversy than any other issue. A Zero threshold would put all growers and processors on the same level. It will help the CIAB to run more effectively and we will have in my opinion a better and more unified industry.

Sincerely,

Michael Rowley

A handwritten signature in black ink, reading "Michael Rowley". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.